GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Home Department – The Andhra Pradesh Protection of Depositors of Financial Establishments Act, 1999 - Cases against Welpay Traders firm in Cr.No.419/2020 under sections 406, 420, 120 (B) of the Indian Penal Code, 1860 and sections 3 & 5 of the Andhra Pradesh Protection of Depositors of Financial Establishments Act, 1999 with amendment Act, 2003 and sections 3, 4, and 5 of Prize Chit and Money Circulation Schemes (Banning) Act, 1978 at Dargamitta Police Station, Nellore City, SPSR Nellore District - Attachment of movable properties – Ad-interim - Orders -Issued.

HOME (GENERAL.A) DEPARTMENT

G.O.Ms.No.**172** Dated: 07-12-2022.
Read the following:-

1. G.O.Ms.No.193, Home (General B) Department, dated 23-08-2001.
2. From the Additional Director General of Police, Crime Investigation Department, Andhra Pradesh, Mangalagiri, Guntur District Letter C.No.1203/C-11/CID-AP/21, dated:16-11-2022.

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O R D E R:

Whereas, in the G.O. first read above, Government have appointed the Additional Director General of Police, Crime Investigation Department, Andhra Pradesh, as the case may be, as the "Competent Authority" under sub-section(1) of section-4 of the Andhra Pradesh Protection of Depositors of Financial Establishments Act, 1999 (Andhra Pradesh Act No.17 of 1999) to safeguard the interests of the depositors and to exercise control over the properties attached by the Government under sections 3 and 8 of the said Act.

2. And whereas, in the letter second read above, the Additional Director General of Police, Crime Investigation Department, Andhra Pradesh, Mangalagiri has reported that, one Sri Michael Suman Babu established a firm under the name of Welpay Traders at Vedayapalem, Nellore city in his house and the firm was registered in the commodities segment in the office of the District Registrar, Nellore Vide Registration Number.51/2020 dated: 17-02-2020. M/s.Welpay Traders collected deposits from the gullible section of people by promising them the company is giving double the amount to the invested amount within 100 working days and published attractive brochures advertising through their website for attract the depositors and collect deposits in huge amounts. Subsequently, they did not return the amounts to the public, as promised. He did not have any rights to collect the money on behalf of the Welpay traders firm from anyone, but, they collected money from several innocent public and low-income section of people by joined as members in the firm.

3. And whereas, the Additional Director General of Police, Crime Investigation Department, Andhra Pradesh, Mangalagiri has further reported that, on the complaints of a victim depositor, a case was registered at Dargamitta P.S., Nellore City, SPSR Nellore District Vide Cr.No.419/2020 under sections 406,420,120(B) of the Indian Penal Code, 1860 and sections 3 & 5 of the Andhra Pradesh Protection of Depositors of Financial Establishment Act-1999 with amendment Act, 2003 and sections 3, 4, 5 of the Prize Chit and Money Circulation Schemes (Banning) Act, 1978 and the above case was taken over by Crime Investigation Department for further investigation.

4. And whereas, the Additional Director General of Police, Crime Investigation Department, Andhra Pradesh, Mangalagiri has further reported that, as per investigation, the Welpay Traders firm is not in a position to return or refund the deposits to the public, who invested their hard earned money in the company expecting to get the same with higher rate of interest, as it does not have sufficient funds either in the form of liquid, variable or

(p.t.o)

fixed assets. There is every possibility of diversion of funds and other assets on the names of the kith and kin and benamies of the management of the company. During the course of investigation, some more movable properties were seized from the possession of the accused (1) A-1 Michael Suman Babu, (2) A-2 Yeturi Ravi kumar (3) A-3 Yella Sreenu who are the Managing Director of WELPAY TRADERS/ Referral agents to Welpay traders on 07.10.2020. The seizure articles were deposited in the Hon'ble Principal District Sessions Judge Court, Nellore vide CPR No.6/2022 and the seized cash vide CPR No.89/2020, dated: 21-10-2020 on the file of 5th Additional Judicial Magistrate First Class Court, Nellore respectively. In addition to that, a total amount of Rs.62,09,731.32 was freezed in the banks relating to the accused firm and accused personal accounts. The details of the movable properties are mentioned in the Annexure- I and II.

5. In the circumstances reported by the Additional Director General of Police, Crime Investigation Department, the Government after careful examination of the matter, have issued an ad-interim order under section 3 of the Andhra Pradesh Protection of Depositors of Financial Establishments Act, 1999 (Act No.17 of 1999) for attachment of movable properties against mentioned in the **Annexure-I and II** to this order. And also authorize the Additional Director General of Police, Crime Investigation Department, Mangalagiri being the competent authority, so as to file affidavit before the Court concerned and to make the present orders for attachment of properties absolute.

6. The Additional Director General of Police, Crime Investigation Department, Andhra Pradesh, Mangalagiri, Guntur District and Competent Authority is hereby directed to take necessary further action as per the provisions of the said Act and Rules made there under, following due procedure and send compliance report to the Government.

(BY ORDER AND IN THE NAME OF GOVERNOR OF ANDHRA PRADESH)

HARISH KUMAR GUPTA
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Additional Director General of Police, Crime Investigation Department/ Competent Authority, Mangalagiri, Andhra Pradesh.
Copy to:-
The Director General of Police, Andhra Pradesh, Mangalagiri.
The Commissioner & Inspector General of Registration & Stamps, Andhra Pradesh, Vijayawada.
The Private Secretary to Hon'ble Minister (Home), Andhra Pradesh.
Private Secretary to Principal Secretary, Home Department.
The Law (C) Department, Andhra Pradesh Secretariat.
Sf/Sc.

//FORWARDED::BY ORDER//

SECTION OFFICER